

CITY OF TEMPE

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FY 2014/2015



**HUMAN SERVICES DEPARTMENT
HOUSING SERVICES DIVISION**

September 2015



Program Year 5 CAPER CITY OF TEMPE

The 2014/2015 Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

Program Year 5 CAPER Executive Summary response:

The City of Tempe has successfully completed its fourth year Action Plan of the City's Five-Year Consolidated Plan for Fiscal Years 2010-2014. Activities undertaken during this period reflect the goals and objectives as stated in the City's Five-Year Consolidated Plan and FY2013 Action Plan. What follows below is a broad overview of how each receiving Division within the City utilized CDBG funds in relation to the First-Year Action Plan, and how these activities contributed to the fulfillment of objectives as stated in the City's Five-Year Consolidated Plan.

Despite the slow recovery from the great recession and the headwinds with which the housing market struggles, the City is pleased to report solid performances from all Divisions in FY2013.

The Community Development Department has continued to be successful in providing and expanding affordable housing opportunities for Tempe residents while also facing "The Great Recession" and an unheard of slump in the real estate market. Home values are again on the rise which presents some difficulties for new home owners when completing with investors and cash offers. Despite these challenges, the Department still created, preserved or assisted in the rehab of 6 affordable owner-occupied units and assisted 13 first time homebuyers with downpayment assistance. Funds from HUD were essential in the achievements of the Housing Division including other leveraged funds from public and private sources.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
 - b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.
 - c. If applicable, explain why progress was not made towards meeting the goals and objectives.

2. Describe the manner in which the recipient would change its program as a result of its experiences.
3. Affirmatively Furthering Fair Housing:
 - a. Provide a summary of impediments to fair housing choice.
 - b. Identify actions taken to overcome effects of impediments identified.
4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.
5. Leveraging Resources
 - a. Identify progress in obtaining "other" public and private resources to address needs.
 - b. How Federal resources from HUD leveraged other public and private resources.
 - c. How matching requirements were satisfied.

Program Year 5 CAPER General Questions response:

Assessment of the one-year goals and objectives:

The City of Tempe attempted to concentrate resources that benefit existing residents in the CDBG-eligible areas where the highest concentration of low and moderate-income households live. For affordable homeownership projects and public services programs, we will support projects in all parts of the City. Tempe supports the even distribution of CDBG and HOME funded activities throughout the neighborhoods of the City that demonstrate need and where opportunities to increase the affordable housing stock exist.

The following narrative is an overview of the City's activities completed in FY2013 and its progress in meeting the housing goals stated in the Five-Year Consolidated Plan.

Objective #1: To preserve affordable rental housing opportunities, and enhance access for extremely low, and low and moderate-income renters.

The City invests approximately \$9 million annually in affordable rental housing, through the efforts of the City's Section 8 Housing Choice Voucher Program. Priority waiting list preference points are given to applicants who live, work or are homeless in the City of Tempe.

Accomplishments: In FY2013, the City successfully assisted 1082 Section 8 Housing Choice Voucher families with finding suitable affordable rental housing in the City. In its efforts to preserve affordable housing opportunities, Housing staff negotiated rental rents with landlords and property owners to allow families to pay no more 40% of their monthly income towards rent in addition to inspecting in excess of 1,200 rental units to meet Housing Quality Standards which included requirements of City code for safe and sanitary conditions.

In FY2013, the City continued its successful relationship with Save the Family for the operation of five affordable housing units for on two City owned properties. Save The Family Foundation of Arizona's contract provides for a lease and operational

agreement for a five-year contract with two, five-year renewal options for the operation of five Transitional Housing Units for low income families affected by domestic violence. Save the Family Foundation of Arizona pays the City \$1/year and is responsible for all maintenance costs for the upkeep of the housing units. Save the Family served 8 families (all female headed households) 28 individuals (8 adults and 20 children) for the 2013 fiscal year period. The development was originally funded with CDBG and other public and private funds.

Challenges: Despite the slow economic growth statewide, the rental market in Tempe remains strong and locating units that fall within the Section 8 Payment Standard can be a struggle for Section 8 participants. Specifically, the location of Arizona State University in the downtown area continues to be the primary challenge in preserving rental units. Despite the slump in sales, the cost of housing units and land in Tempe remains very competitive and costs have continued to escalate.

Objective #2: To create new affordable rental units targeted to extremely low, and low and moderate-income families and individuals.

The city has acquired a number of parcels in the retail development known as Danelle Plaza. Recently, the City of Tempe issued a Request for Proposals for the development of new construction rental housing of as many as 30 housing units at these addresses. It is anticipated that the development will contain both market rate and below market (subsidized) units with at least 51% of the units being offered to households earning less than 80% of the area median income. The project will fully develop the site and access area infrastructure, including Tempe municipal approved sewer, water and area telephone, electrical and gas. Site development will comply with The Americans with Disabilities Act. Landscaping appropriate to the area will be included. All units will meet Tempe and Maricopa County building codes and will meet the Uniform Physical Condition Standards (UPCS). The complete proposed activity is acquisition of vacant land with subsequent infrastructure development and new construction of residential housing. Funding will include CDBG resources from multiple fiscal years (FY2009-2013). Total CDBG project investment during FY2013 was \$962,819.13. Estimated Start of Construction: 7/1/2015. Estimated Project Completion: 12/1/2017.

The city has also acquired a parcel that has a dilapidated building on it. The city intends to demolish the blighted structure and issue a RFP for the development of additional affordable rental or ownership units. The city anticipates issuing the RFP by 2/1/15 with construction underway by 6/1/15. CDBG dollars funded the acquisition with a total cost of \$558,193.25.

Challenges: As the City is nearly built out, it faces new challenges in providing residents with a variety of affordable housing opportunities. The City is responding by maintaining and developing affordable housing programs, however, as of January 2014, Tempe has less than 4% vacant land remaining, making new multi-family and/or residential development very difficult and expensive.

Challenges: The primary challenge in producing new affordable rental opportunities is high acquisition and construction costs. Land for construction is in limited supply as Tempe is a largely built-out city. Also, competing community demands often result in the density reduction of new development opportunities. As a direct result of the high land cost, the advancement of the Danelle Plaza development is moving slowly, as it has taken multiple funding years to acquire the necessary parcels.

Objective #3: To increase affordable homeownership units and opportunities for first-time low and moderate-income buyers.

The City finances the acquisition and rehabilitation of units for homeownership and for the improvement of the quality and quantity of affordable housing. It also creates programs and services to support first time homebuyers as they embark on homeownership. In collaboration with other Housing Counseling agencies, the City also refers potential first time homebuyers to Newtown, CDC for First-time Homebuyer Education and Counseling programs to assist in educating the potential home buyers of single family and multifamily units.

Accomplishments: In FY2013, 13 homeownership units were created by the City of Tempe by providing downpayment and closing costs assistance to low and moderate income families. The City expended \$400,449.72 in HOME funds for this activity. The City's Housing staff also collaborated with other Housing Counseling agencies to provide and host twelve homebuyer classes and half a dozen credit-counseling workshops. Approximately 120 people participated in the classes and received one-on-one homebuyer education counseling.

Challenges: Tempe is largely a built-out city. As a result, it faces several challenges in producing new affordable homeownership opportunities, such as high acquisition and construction costs, and competing community demands that often reduce the density of new development opportunities. In addition, tax credits are a major source of equity for development opportunities but homeownership is not an eligible use under the Federal tax-credits program.

Objective #4: To stabilize and renovate owner-occupied units owned by the extremely low, low and moderate-income households.

The Home Improvement Program (HIP) is a low (or no) interest rehabilitation loan program for low and moderate-income owners of one to four-unit buildings. Through this program, owners use funds to renovate their single family homes to meet HUD, State and City building code requirements. The program is managed by the Tempe Redevelopment Division.

Accomplishments: In FY2013, the City worked with homeowners to rehabilitate a total of 6 units through the Home Improvement Program. The Community Development Department Housing Services Division annually commits CDBG and HOME funds to support both staff salaries and loan funds for these programs. The City expended \$33,776 in HOME funds and \$ \$191,887.69 in CDBG funds for this program.

Challenges: Despite the turnaround in the Tempe housing market and the gradual increase in home values, the City of Tempe continues to struggle to attract qualified homeowners for the Housing Improvement Program (HIP). With much of the population struggling to pay their monthly expenses, it has become increasingly difficult to market a rehabilitation program that may require a small monthly payment. To address these concerns, the City continued its policy to suspend the portion of the program that requires applicants under certain circumstances to make these monthly repayments. Until economic and employment conditions improve, all loans through the HIP will continue to be deferred.

Challenges: The gentrification pattern, together with the pressures of student housing, raises the cost of rental housing in what traditionally had been Tempe's affordable housing areas. During the past several years, neighborhoods in Tempe have experienced gentrification--a dramatic shift in their demographic composition toward better educated and more affluent residents, causing the displacement of disadvantaged residents.

OTHER HOUSING SERVICES

Public Education and Outreach

In addition to the four objectives outlined above that addresses preserving and creating rental and homeownership opportunities, and stabilizing units throughout the City of Tempe, the Community Development Department Housing staff also serve as a housing resource for Tempe residents providing referrals to organizations that can meet other housing and social service needs. The "Affirmatively Furthering Fair Housing" section of the narrative outlines the public outreach events that staff attended or hosted this year to educate residents about housing programs and services offered throughout the City. In FY2013, Housing staff responded to approximately 20-25 inquiries daily, or over 5,200 inquiries annually, concerning housing services and provided program information and referrals to agencies throughout the City and/or greater Phoenix Metropolitan area.

Number and Percentage of Individuals Served by Race

RACE	HOUSING PROGRAMS (DPA and REHAB/REPAIR)	RACIAL COMPOSITION OF TEMPE (2010 Census)	PUBLIC SERVICE
White/Caucasian	13	72.6%	1,881
Black/African American	1	5.9%	739
Asian	2	5.7%	30
American Indian or Alaska Native	1	2.9%	129
Native Hawaiian	0	0.4%	70
Two or more Races	2	3.9%	1,308
TOTAL	19		4,087
Hispanic	4	21.1%	1,335

Overview of CDBG/HOME Funded Activities	Affordable Housing – Homeownership/Rehab/Lead-based Test/Abate	Public Services/Homeless Needs	Economic Development
Accomplishments	(Units)	(People Served)	(Clientele)
FY 2010	53	2,594	6
FY 2011	19	3,289	0
FY2012	14	4,227	0
FY2013	19	4,087	0
Consolidated Plan Anticipated Actual Needs	273	11,472	25
Expenditures			
FY 2010	\$713,196.75	\$257,548.00	\$15,000
FY2011	\$486,277.38	\$219,505	\$0
FY2012	\$333,841.15	\$200,696	\$0
FY2013	\$483,774.87	\$216,891	\$0
% Complete	40%	124%	24%

Assistance Meeting the Objective of Decent Housing with an Outcome of Affordability			
Activity	Units	CDBG Expenditure	HOME, PROGRAM INCOME, ADDI Expenditure
AFFORDABLE HOUSING	1		\$ 33,776.00
Single Family Rehabilitation			
Single Family Emergency Repair	5	\$79,763.22	\$0
Direct Homebuyer Assistance	13	\$0	\$400,449.72
COMMUNITY DEVELOPMENT			
Land Acquisition of Real Prop/New Construction	4	\$1,521,012.38	\$0
Multi-Family – Acquisition/Rehab		\$0	\$0
Multi-Family - New Construction		\$0	\$0
Relocation	0	\$0	\$0
Clearance and Demolition		\$0	\$0
Total:	23	\$1,600,775.22	\$434,225.72

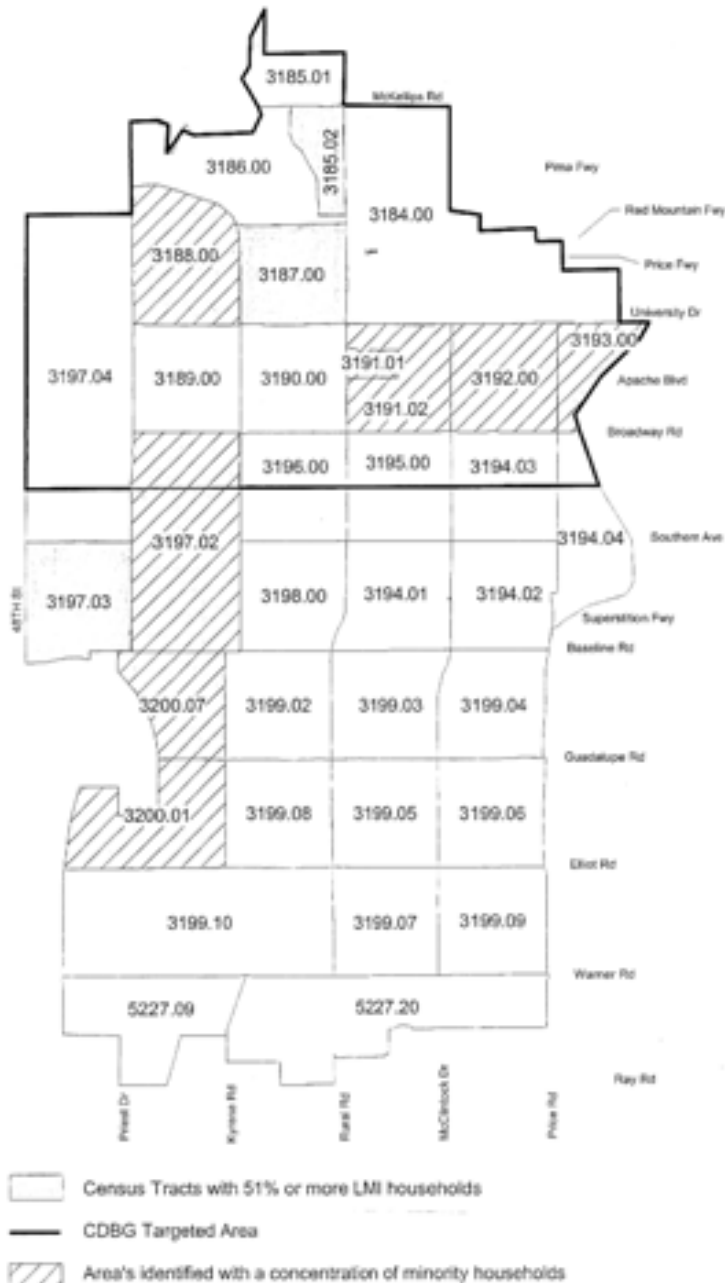
Accomplishments in attaining the goals and objectives for the reporting period:

National Objective: Decent housing						
Outcome: Affordability						
Need to be addressed	Goal to address high priority needs	Activity	Unit of measure	HOME	CDBG	All other Source # and \$ spent
Desired Outcome			(Goal/ Completed housing units, all sources)	\$ spent*	\$ spent*	
Single-family housing rehab	Increase the quality of owner-occupied housing by providing	Housing rehab assistance to low and moderate income households	1 unit	\$33,776		Program Income
Affordability						
Single-family housing emergency repair	Improve the habitability of owner occupied housing by providing	Emergency home repair assistance to low and moderate income households	5 units		\$79,763.22	Program Income
Affordability						
Homebuyer Assistance	Increase the availability of affordable owner housing by providing	Down payment assistance to low and moderate income households	13 units	\$400,449.72		Program Income
Affordability						
Acquisition of land and construction of new housing for owner occupants	Increase the availability of affordable owner housing by providing	Acquisition and development for owner-occupied housing	0	0	\$0	
Affordability						
Acquisition and rehabilitation of owner housing	Increase the supply of affordable rental and/or ownership housing by providing	Acquisition and rehab assistance to house low and moderate income households	0	\$0	\$0	
Availability						
Acquisition of land and construction of new rental housing	Increase the supply of affordable rental housing by providing	Acquisition and development assistance to house low and moderate income households	4 parcels	\$0	\$1,521,012.38	0
Affordability				0	0	0

Preservation of existing public housing units and tenant based rental assistance.	Preserve existing number of units of public housing and Housing Choice Vouchers.	Administrati on of public housing and Housing Choice Vouchers to house extremely low, low and moderate-income households	0 units	0	0	
Affordability				0	0	
Expansion of assisted rental units in the private marketplace	Increase the number of assisted rental units in the private rental market through	Applications for additional assisted vouchers when they become available.	0 units	0	0	0
Affordability						

DRAFT

As indicated on the following map, the area north of Alameda Drive is a CDBG target area. This area is considered to be the older section of Tempe; e.g. the first to age, therefore, the area first in need of services. In addition, the target area contains a higher concentration of minority households than other areas of the City and census tracts with 51% or more low-moderate income households.

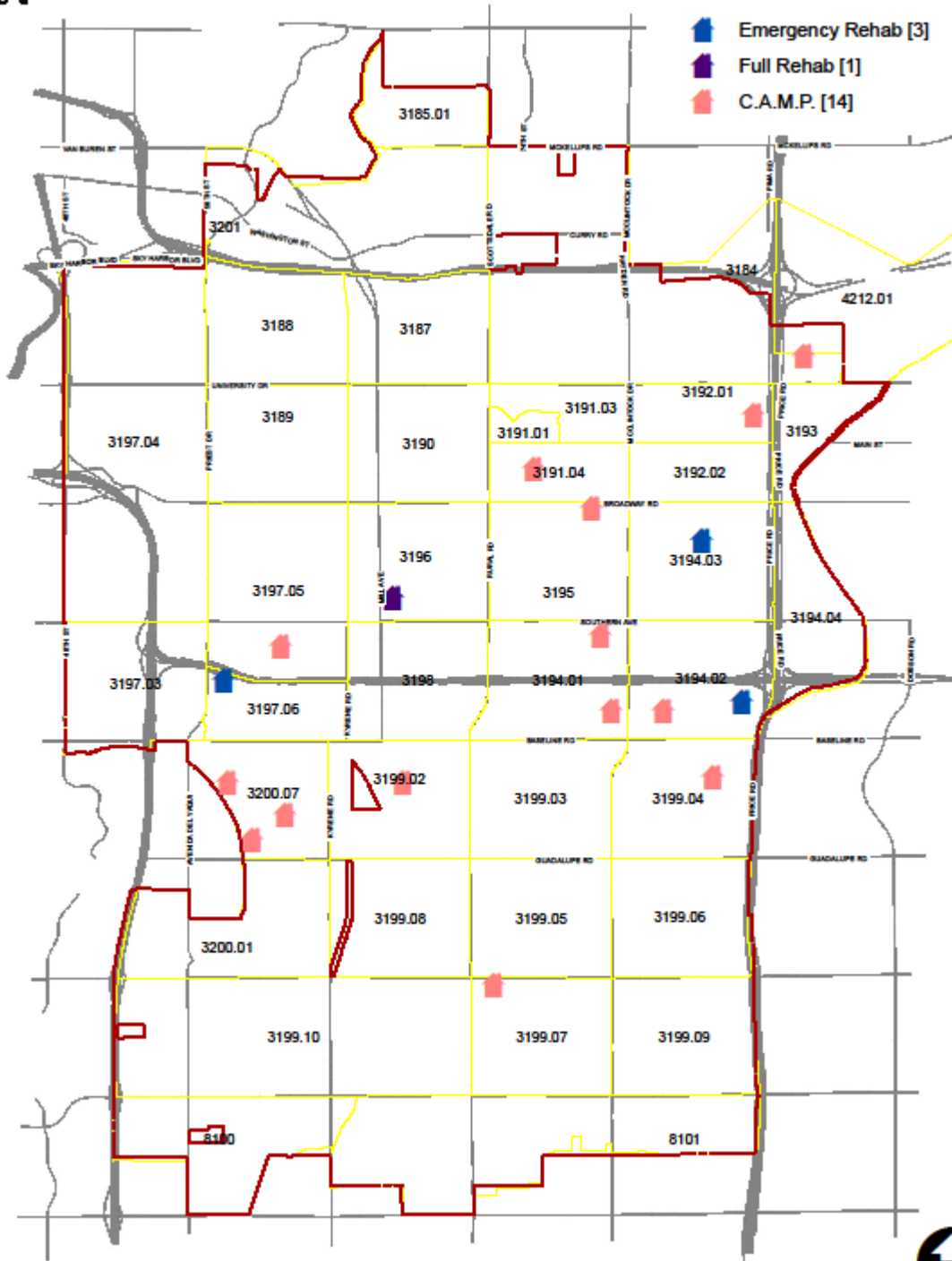


Source:
City of Tempe, Housing Services



HOUSING SERVICES

2014



SOURCE: City of Tempe, Housing Services September, 2014



Affirmatively Furthering Fair Housing:

The City of Tempe works diligently to ensure that residents understand the Fair Housing Act and know that discrimination in the housing market is unacceptable. The City continues to provide information to residents about Fair Housing and how to file a complaint in response to alleged discrimination. In 2009 as part of the Consolidated Planning process, the City of Tempe updated the Analysis of Impediments to Fair Housing Choice and several general impediments were identified. A survey of Tempe residents indicated that one-third of the respondents believe that they, or someone they know, has experienced housing discrimination. On average, only nine complaints from Tempe residents are filed annually with the city's Fair Housing Coordinator, HUD, and/or the Arizona Attorney General's office. Of the complaints filed, the majority involve race and/or national origin and disability.

Community education regarding Fair Housing laws continues to be an emphasis for the City of Tempe. During the past year, the city has adopted a proclamation declaring April to be observed as Fair Housing month. The adoption of this proclamation was broadcast on Tempe 11 along with several Fair Housing videos designed to educate the general public. These videos can be viewed at: www.tempe.gov/tempe11 or www.youtube.com/tempe. Additionally, a Fair Housing page is maintained on the city's webpage with links to HUD and the Arizona Attorney General's Office. <http://www.tempe.gov/index.aspx?page=1146>. City Section 8 and Redevelopment staff also continued to work with apartment managers and general contractors to educate them about these federal regulations. The City of Tempe Housing Services Division is a member of the Arizona Fair Housing Partnership and as such, plays a role in conducting educational events that will promote Fair Housing throughout Maricopa County.

The City's Section 8 staff conducts briefings with all new tenants and those exercising their Port-In option when they receive their Housing Choice voucher. These briefings include written and verbal information about the Fair Housing Act and how to file a complaint regarding potential discrimination. In FY2013, briefings were conducted during which new tenants received information on the Fair Housing Act and how to file a complaint should discrimination in the housing market take place. In addition, dozens of one-on-one briefing were conducted with Port-In's wherein Fair Housing related information was shared with current HCV participants. Housing Services staff also distributed information about the Fair Housing Act to numerous Tempe residents at various classes, seminars and program awareness events.

Additionally, the Fair Housing Coordinator makes multiple presentations both within the City of Tempe organization and with outside groups and associations throughout the year about the issue in an effort to promote greater awareness.

In FY2013 \$33,000 in CDBG administrative funds were used to partially fund wages for the City's Fair Housing Coordinator, as well as fund outreach and marketing materials in the program year.

Summary of Impediments

The following general impediments were identified in our current Analysis of Impediments to Fair Housing Choice in Tempe:

- Evidence of Housing Discrimination: A survey of Tempe residents reveals that housing discrimination does exist. Increased public support and awareness is needed.
- Need for Community Education: The number and nature of fair housing complaints being received by Tempe residents continues to remain low.
- Foreclosures and Predatory Lending: A high correlation exists when comparing foreclosure activity with minority concentrations.
- Minority/Poverty Concentrations: Minority and poverty concentrations exist in North Tempe and the city's minority population continues to grow.
- Disability Accessibility: Disability accessibility was raised as a major type of discrimination that exists in Tempe according to residents surveyed on housing discrimination.
- Public Policies and Zoning: A review of the policies and practices of the City of have guidelines for accessibility.

Actions Taken in the Last Year

- Mayor Mitchell signed a Fair Housing Proclamation
- Ongoing participation in the Arizona Fair Housing Partnership including helping to plan and facilitate an April community education and awareness event.
- Ongoing partnership with the City of Tempe ADA Compliance Specialist to educate the community about disability accessibility including working together to assist Tempe residents who are dealing with accessibility issues that carry over into the Fair Housing Act.
- Distributed Fair Housing educational materials to everyone receiving a Section 8 Voucher in Tempe.
- Obtained additional Fair Housing education materials in an increased number of languages for distribution in our office.
- Assisted Tempe residents in filing 9 housing discrimination complaints on the HUD website. HUD Form 903;
http://portal.hud.gov/hudportal/HUD?src=/topics/housing_discrimination
- Updated the Fair Housing information on our website.

Other Actions taken to address obstacles to meet underserved needs:

The primary obstacle to meeting the needs of the underserved in Tempe is a lack of funding available to the City and to non-profit agencies the City partners with in serving the low- and moderate-income residents of Tempe. As grants shrink and the cost of delivering services and completing projects increases, an ever-widening gap between cost and available funds is created. In addition, despite the ongoing economic and housing crisis, the cost of housing in Tempe remains relatively high especially with the rise in acquisition and construction costs in the greater Phoenix Metropolitan area and the relatively low vacancy rates throughout the City of Tempe. Since 2004, Tempe has made significant contributions to increasing affordable housing through the City of Tempe's CDBG and HOME programs. These programs provide funding for housing development, preservation, and improvement.

Actions taken during this program year to address the obstacles to meeting the underserved needs include:

Housing rehabilitation

- owner-occupied
- lead-paint testing

Funding sources: CDBG, HOME, HOME match

Affordable housing

- first-time homebuyer programs
- site acquisition and development
- Acquisition of 3 units to be used for permanent affordable housing for low/moderate income households not yet able to move into market rate housing through a CHDO agreement with Save the Family ARM
- Section 8 rental assistance

Funding sources: CDBG, HOME, HOME match, Section 8

Public Services

- Human services

Funding sources: CDBG (15%)

Leveraging Resources:

Despite the slow recovery from the "Great Recession" in areas such as employment, acquisition and construction costs in Tempe remain relatively high and vacancy rates remain lower than the Valley average. Combined, they have had a tremendous impact on the cost of housing in the City of Tempe market. Although median sales prices for new homes declined for the third straight year in Tempe, the median residential sale price has remained above the national average at \$205,000 for July 2014. (Source; ASU Real Estate Center and US Census Bureau)

Federal

In FY2013, the City of Tempe received \$1,445,943 in CDBG funds and \$333,057 in HOME funds from the Maricopa County Consortium, as a participant in the Consortium. In addition, the City received approximately \$9,165,712 under the Section 8 Housing Choice Voucher and Family Self Sufficiency Programs.

Non-federal funds

The funding the City received through the Maricopa County Consortium for the HOME program required a 25% non-federal match. The match funds of \$78,061 are from a Memorandum of Agreement between the City and Newtown, CDC. The Memorandum provides for a Match donation from Newtown, CDC. Program income was also received from payoffs on loan payments under both the Housing Improvement Program (HIP) and the Community Assisted Mortgage Program (CAMP).

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

Program Year 5 CAPER Managing the Process response:

In fy2013, the CDBG and HOME program funds were again managed and administered by Neighborhood Redevelopment and Revitalization Division staff. As funding priorities shifted from administering internal programs, such as Rehabilitation and Downpayment Assistance to larger development programs, a front line staff individual was re-assigned to the Housing Services Division, leaving a single staff individual to administer both the down payment assistance program and the Regular/Emergency Rehab program. The Grants Analyst continued to monitor both internal and external programs for regulatory compliance throughout the year. In addition, staffs from both the Housing Services Division and the Redevelopment & Revitalization Division continually attend HUD sponsored training throughout the program year.

The Section 8 Housing Choice Voucher and Family Self-Sufficiency programs remain in the Housing Services Division.

The Tempe Community Council (TCC) has the responsibility for receiving applications and recommending CDBG and local funding for social service requests. TCC receives the requests from social service agencies, assembles a citizen panel to review the requests, meets with applicants then recommends funding to the Tempe City Council for approval. As part of this process, the City's Grants Analyst, attends the CDBG related applicant interviews to ensure the funding requested is both eligible for funding and is consistent with the City's adopted FY2010-2014 Consolidated Plan.

As the 2013 fiscal year came to an end, the City Manager initiated additional organizational changes. The Housing Services Division was being moved to a newly created Human Services Department. The move for the Division will also involve a physical move to the Tempe Library Complex. One of the primary goals of the move is to place all of the City's human services related services under one roof in order to better serve the public and prevent duplication of services and staff efforts.

Citizen Participation

1. Provide a summary of citizen comments.
2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

Program Year 5 CAPER Citizen Participation response:

Summary of citizen's comments:

During the citizen participation process for the FY2013 Action Plan, no public comments were received. Additionally, during the 15-day public comment period for the FY2013 CAPER, no public comments were received.

Public Participation Process:

The City of Tempe continues to involve the general public in the process of CDBG funding allocations. Public hearings were held and a Notice of Funding Availability was published to notify the general public and nonprofit agencies that the Tempe Community Council (TCC) would be accepting applications for funding for the public services allocations of CDBG funds.

Notices soliciting public input were placed in the *Arizona Republic*, the local newspaper. In addition, a notice inviting input was placed on the City website: <http://www.tempe.gov/housing>. Additional notices inviting public comment and notice of the public hearing were also placed in the Human Services Department and Housing Services Division public lobby areas. Meeting notices were posted in advance; on the Friday afternoon prior to a Thursday Council meeting and were located in the City Clerk's office on the 2nd floor of City Hall on the bulletin board outside of the City Council Chambers and on the internet at www.tempe.gov/clerk. Citizens were invited to submit comments in writing via the U.S. Mail, via e-mail or in person at the public hearing before the City Council.

The City also met with the Section 8 Resident Advisory Board, met and provided funding information to other City departments, nonprofit agencies, private developers and the general public. Tempe Community Council held two public informational and bid application meetings at the beginning of the application process.

The public process involved a first public hearing which was held at the beginning of the Action Plan development process. This public hearing was to obtain views and proposals from citizens on how funding may be used and on needs and priorities for the 1-year Action Plan period. The second public hearing was held after the draft Action Plan was made available for a 30-day comment period.

The Tempe Community Council (TCC) has the responsibility of recommending funding for social service agencies and TCC presented their recommendations before the City Council at an Issue Review Session where citizens were invited to express their views on the funding recommendations. The Issue Review Session agenda is posted in the same manner as the City Council meetings.

One public meeting was held in conjunction with the Tempe Community Council Board meeting and board meeting notices were posted one week in advance. At this meeting, city staff presented preliminary information regarding the Action Plan development process. Comments, views and proposals were accepted at this meeting.

Availability of Plans and Reports

When the draft Consolidated Plan, Action Plan and CAPER are published, a notice of their availability is published in the *Arizona Republic*; hard copies are available at the Community Development and Human Services Departments, Housing and Redevelopment & Revitalization Divisions of the City of Tempe. Requests for copies may be made in person, by mail, e-mail or telephone. The draft, as well as all IDIS reports, is also on the City's web site at <http://www.tempe.gov/housing>.

Access to Meetings

City Council Chambers as well as all City offices are accessible to persons with disabilities. Reasonable accommodation may be requested 48 hours prior to a meeting for special circumstances.

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

Program Year 5 CAPER Institutional Structure response:

During the program year covered by the Action Plan for FY2013, the City reviewed the gaps listed in the Consolidated Plan and determined methods to strengthen the institutional structure in order to eliminate the gaps.

Actions in this program year to strengthen the delivery of services include, but are not limited to:

- Discussions with public service providers during the annual onsite monitoring process. Open discussion with everyone from CEO to frontline staff regarding the City's institutional structure, as well as both the City's and its nonprofit partner's delivery of services proves to be very useful.
- Reviewed current "in-house" and "contracted" services and processes to determine what may be streamlined;
- Reviewed the delivery systems between the two Departments (Community Development and Human Services) that utilize federal funding to determine how to strengthen the coordination of services;
- Reintegration of the CDBG/HOME work group with the Housing Services Division to better integrate the delivery of services;
- Met with program partners to determine what gaps may exist and how best to eliminate those gaps;

In FY2013, the City of Tempe continued to collaborate with and further develop its relationship with federal, state and local policy makers, funders, tenant groups and service providers. This was accomplished by using both formal and informal networks that bring together public, private and nonprofit housing and service providers.

Federal

The City of Tempe continues to work with the U.S. Department of Housing and Urban Development (HUD) on policy, program, monitoring and funding. In FY2013, the City

continued to implement its annual monitoring scheme to verify its subrecipients' compliance with rules and regulations that are required by HUD, the State and the City.

County and State

The City has a strong working relationship with Maricopa County and the Arizona Department of Housing and Community Development and other county and state agencies that provide regular and ongoing support to the City's affordable housing development organizations.

The City continues to serve as a member of the Maricopa County HOME Consortium and in this capacity, the City works with other Consortium members to exchange information, enhance performance of grant recipients, improve performances, examine issues and develop policy and to work cooperatively to pursue joint funding activities.

The City continues to actively participate in the Continuum of Care activities. During the past program year, the City was an active participant on a variety of committees and sub-committees. City staff served actively on committees to develop procedures provide information and strengthen the Continuum of Care process within Maricopa County.

Local

The City provides funding to supportive housing and affordable housing activities. As evidenced in this report, the City has committed funds to public agencies providing these services. The City continues to exchange information with supportive services in efforts to promote these activities and to develop more partnerships.

The City has a number of successful groups and committees that currently collaborate to provide an effective delivery system for affordable housing production and social services throughout the City.

The City of Tempe Housing Services (THS) Division works collaboratively with local housing property owners to accept tenant-based Section 8 vouchers in proposed rentals, significantly increasing the financial feasibility of these units and markets the City's housing initiatives by attending public outreach events.

The City of Tempe Community Development Department also works with housing developers to encourage the development of low/moderate income housing units within each development and disposition agreement. The Department works collaboratively with local for-profits non-profits such as Capital Management Group, 6th and Farmer, LLC, Newtown CDC/Community Landtrust, Habitat for Humanity and Chicanos Por Las Causa (CPLC) for opportunities to develop or sustain affordable housing units within the City.

The Tempe Community Council funds and provides a wide range of services from homelessness prevention, emergency shelters, transitional housing to emergency funds. Both the Community development Department and TCC communicate and collaborate regularly to serve as wide a range of persons as possible throughout the City.

The City has strong working relationships with neighborhood groups and housing advocates that support affordable housing development in the City. Local support has been one of the central factors contributing to the success of housing developers and service providers.

The Housing Trust Fund Advisory Board (or, HTFAB), meets on an “as needed” basis and has the responsibility of working with City staff and the community to identify a funding source to fill Tempe’s Housing Trust Fund.

The Housing Trust Fund and its Advisory Board are a pivotal step in providing affordable housing in Tempe. The purpose of the Housing Trust Fund is compliment the City’s federally funded affordable housing programs. The Trust Fund provides a non-federal financial resource to address the affordable housing needs of individuals and families of low and moderate income, provide housing related services to these households, and provide support for nonprofit organizations that actively address the affordable housing needs of low and moderate-income households. Tempe has taken these actions because a growing percentage of Tempe residents are unable to meet or maintain the income level necessary to continue residing in Tempe. In recent years, economic forces have discouraged a diverse housing stock. The City recognizes the need to provide alternative housing opportunities in order to maintain the diversity of Tempe. To date, a dedicated source of non-federal funding has not been identified to fully fund the Trust. However, ongoing efforts to address this need continue.

The City of Tempe Fair Housing Program, *Commission on Disabilities*, and *Human Relations Commission* are also active in initiating educational and outreach programs to further fair housing and to promote mutual understanding and respect among the many groups of people who live, work and visit our city. The Housing Services Division is monitoring progress on measures to combat Impediments to Fair Housing for the City and identifies impediments as required by HUD.

Monitoring

1. Describe how and the frequency with which you monitored your activities.
2. Describe the results of your monitoring including any improvements.
3. Self-Evaluation
 - a. Describe the effect programs have in solving neighborhood and community problems.
 - b. Describe progress in meeting priority needs and specific objectives and help make community’s vision of the future a reality.
 - c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.
 - d. Indicate any activities falling behind schedule.
 - e. Describe how activities and strategies made an impact on identified needs.
 - f. Identify indicators that would best describe the results.
 - g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

- h. Identify whether major goals are on target and discuss reasons for those that are not on target.
- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

Program Year 5 CAPER monitoring response:

The City of Tempe is an active participant and member in the Maricopa County HOME Consortium and receives HOME funding through Maricopa County. As a member, the City participates in the administration, policy decision making, funding and selection for CHDO recipients, monitoring activities and other activities as necessary. The City also makes a 25% matching fund commitment to HOME funded activities (acquisition and homeowner rehabilitation).

The jurisdiction's performance in meeting the objectives and outcomes set forth in the strategic plan was reviewed throughout the year including:

- Strategic Plan priority area/objective
- 2013/2014 allocations and actual expenditures
- Cost per unit of service
- Performance measure(s) used
- 2013/2014 proposed and actual persons/households/businesses served

If activities are not meeting the goals established in the Annual Action Plan the City would revise the program guidelines in an effort to better meet the community's needs.

To ensure compliance with program and comprehensive planning requirements, monitoring of all public service agencies including Tempe's LIHTC development, Encore on Farmer (<http://encoreonfarmer.com/>) and CDBG subrecipients were carried out. Monitoring of public services agencies was conducted on all agencies by the City's Neighborhood Grants Analyst, Grants Accountant, Housing Services staff and Maricopa County Consortium staff. The Monitoring schedule was scheduled concurrently with monitoring visits of the same agency funded by other cities. Staff also monitored agencies as required by the HOME Consortium IGA agreement. Monitoring reports for this fiscal year revealed: No Findings, 2 Concerns and 3 suggestions.

HOME Grants

Home activities administered by CHDO's, Non-profits, or For-profit entities

- Applications for funding must include specific details about the project, costs, and beneficiaries.
- Successfully funded applicants are required to sign a funding agreement, mortgage and/or covenants outlining all of the requirements, regulations, and standards.
- An affordable housing specialist will perform site inspections periodically throughout the project.
- Claims for payments are filed, with appropriate documentation, with the Revitalization Division. The Neighborhood Grants Analyst reviews the claim and approves it for payment.

- The Housing Services Division will also monitor for beneficiary compliance.

Follow-up and Enforcement

- Compliance concerns are addressed at all phases of an activity, as soon as the affordable housing administrator is aware of the issue.
- Quarterly reviews of subrecipient activities are conducted by the Neighborhood Grants Analyst, using a quarterly progress report to be reviewed. If necessary, the quarterly reports are followed up with written statements (emails) of compliance or non-compliance. In situations of noncompliance, the written statements detail methods and timeframes to bring the activity back into compliance.
- Subrecipients may be required to file a Certified Public Account (CPA) annual report of subrecipient's financial stability and federally funded project expenditures. Records shall be maintained for five years after project closeout, which is when final payments and all related matters are closed.
- Enforcement of activities not in compliance shall follow Part 85.43 with the right of appeal, as well as termination of contract/agreement.

HOME rental projects

- Each project is monitored as described above.
- Documentation is provided to the Neighborhood Grants Analyst to ensure compliance with the funding agreements/mortgage/covenants. This documentation includes the number of assisted units, type and size of units, income level of residents, rent rates, utility allowances, and units receiving Section 8 or units receiving TBRA, if applicable.
- HOME units are physically inspected by the Section 8 Housing Specialist or the Neighborhood Grants Analyst to verify the condition of each unit to ensure compliance with HQS standards.
- Rental properties funded with HOME funds must continue to meet the applicable property codes and standards throughout the affordability period. To ensure compliance, the Housing Division will conduct physical inspections of HOME-funded rental units (except where a sample of units is allowed in large projects) on the following schedule:
 - . One to four units = every three years
 - . Five to 25 units = every two years
 - . Over 25 units = annually

HOME activities administered by the City

- Each activity is reviewed by the Neighborhood Grants Analyst for project feasibility, occupant eligibility and other factors such as appropriate subsidy levels.
- The affordable housing specialist will inspect each project to estimate project costs and requirements.
- Upon approval of a project, funding agreements and/or mortgages are signed by the applicant outlining terms and conditions of funds.
- The affordable housing specialist will monitor the progress of the project and will work with local building inspectors to verify compliance with local building codes and construction standards.
- Requests for payments are reviewed by the Neighborhood Grants Analyst and approved by the Housing Manager Planner.

- A final inspection at the completion of the project must be completed prior to the final payment. Also prior to final payment, the certificate of occupancy and/or inspection reports for the Building Department are obtained.

Performance Measurement Systems

As a part of new initiatives set forth by the Office of Management and Budget (OMB), HUD has informed all entitlement grantees of their obligation to create and maintain Performance Measurement Systems. This initiative is aimed at establishing a new process for gathering information to determine how well programs and projects are meeting needs and then using that information to more effectively target resources. The component parts of this initiative involve establishing long-term and short-term goals, the tracking of accomplishments on a yearly basis, the aggregation of actual units of program-year accomplishments to short and long-term numeric goals and the assessment of the outputs and outcomes that follow. This entails the establishment of long-term goals, the year-by-year assessment of how the City is trending vis-à-vis their long-term goals and the rationalizing of how these objectives will enhance the lives of the residents we serve.

The City of Tempe has had such a system in place for years. We continually set long-term goals for projects and programs, we monitor and assess the performance of each on a yearly basis keeping these long-term goals in mind and we react to trends as they occur in order to better determine how our funds will be most effectively utilized. In accordance with OMB and HUD guidelines, we continued to focus on Outputs and Outcomes in our FY2012 One-Year Action Plan. These metrics were familiar to some subrecipients and for those new to these methods, steps were taken to ensure their compliance with the initiative as well as their understanding of its intention. As such, we feel that the City makes every effort to fully understand the impact our programs have on residents and how we may make these programs more effective.

Strategies and Activities Adjusted to Meet Needs Effectively:

Homeless Needs

The City of Tempe employs a Homeless Coordinator. The Homeless Coordinator and representatives from city-funded agencies participate in the Maricopa County Continuum of Care on Homelessness committees. The Homeless Coordinator serves on the Continuum of Care Regional Committee on Homelessness and is the Chair of the Planning Sub-Committee.

The Homeless Coordinator facilitated the Homeless Street Count in January 2014 resulting in a count of 83 people living on the streets of Tempe; the majority of whom fit the definition of chronically homeless.

The Homeless Coordinator also worked with the local community and the Valley of the Sun United Way to facilitate a Project Homeless Connect event in July. In excess of 500 people attended the event to receive needed social services. The goal of Project Homeless Connect is to provide multiple immediate services to homeless individuals and families on one day under one roof. As a result of Tempe facilitating this national, best-practice model, the Valley of the Sun United Way is now ensuring that a similar event is held on a monthly basis in other cities in Maricopa County.

The Homeless Coordinator continues to oversee HOPE, a homeless outreach team that travels throughout Tempe in an effort to reach out homeless individuals and families in an effort to engage them into services that can end their homelessness. The HOPE staff goes beyond providing information and referrals by accompanying their clients to needed services and staying with them throughout the process of obtaining those services. During the past year, HOPE interacted with 714 homeless individuals.

During the past year, the Homeless Coordinator also continued to work with a multi-disciplinary workgroup to address the issue of homeless individuals congregating in the downtown Tempe area. As a result of these discussions, the Homeless Coordinator and our Homeless Outreach team will be partnering with the Tempe Police Department to increase education to the homeless and divert them from the criminal justice system into social services.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Program Year 5 CAPER Lead-based Paint response:

The City of Tempe will continue to comply with all lead-based paint (LBP) requirements imposed by HUD and will continue to direct resources to eliminate lead-paint in its housing. The City is committed to reducing the hazards throughout the community of Tempe and hope to achieve two major policy goals: increasing access to affordable lead-safe housing for low-income families, and preventing the lead poisoning of Tempe children.

The City continued to address, monitor, evaluate and reduce lead-based paint hazards throughout the community through its Housing Improvement Program and Emergency Rehabilitation Grant Program. For the Section 8 Housing Choice Voucher Program, the City inspects all units prior to placing a unit under a Housing Assistance Payments Contract and at least annually thereafter. The City contracts with Environmental Protection Agency (EPA) certified lead paint firms to assess and abate activities in the rehabilitation program and will continue to address all pre-1978 units participating in its City programs with a presumption of lead-paint hazards.

In the rehabilitation programs and the Section 8 Rental Assistance Program, information on the hazards of lead-paint is distributed to all program participants, and property owners. Staff will continue to remain current on lead paint issues including the education to program participants on the hazards.

HOUSING

Housing Needs

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe Actions taken during the last year to foster and maintain affordable housing.

Program Year 5 CAPER Housing Needs response:

In the Five-Year Consolidated Plan adopted in 2005, the City identified and continues to address those impediments to developing affordable housing for the City's low-income residents. In addition, the City has identified other key areas to the successful delivery of affordable housing programs and services. These include continued collaboration among key institutional structures at the federal, state and local levels to improve public housing and resident initiatives, and evaluate and reduce lead based paint.

In FY2013, Tempe continued to collaborate with and further develop its relationship with federal, state and local policy makers, funders, tenant groups, service providers, etc. This was accomplished by using both formal and informal networks that bring together public, private and nonprofit housing and service providers.

Federal

The City of Tempe continues to work with the U.S. Department of Housing and Urban Development (HUD) on policy, program, monitoring, and funding. In FY2013, the City continued to implement its annual monitoring scheme to verify its Subrecipients compliance with rules and regulations that are required by HUD, the State, and the City. This included the coordinated services through contracts for program delivery.

The City of Tempe Community Development Department had \$125,411 in annual contracts with nonprofit housing agencies for the operation of housing programs, and professional service providers for the division's projects. The nonprofits also operate community service programs on an ongoing basis, and are invited to contribute to the City's policy, program development, and annual reports.

County and State

The City has a strong working relationship with the Maricopa County Community Development Department and other state agencies that provide regular and ongoing support to the City's affordable housing development organizations.

Local

Tempe has a number of successful groups and committees that are discussed below. They currently collaborate to provide an effective delivery system for affordable housing production and social services throughout the City.

The City of Tempe Housing Services Division (THS) is one of the highest performing housing authorities in the country. The THS works collaboratively with local housing rental landlords to use tenant-based Section 8 Housing Choice Vouchers in rental properties (significantly increasing the financial feasibility of these projects), marketing Land Trust units to very low-income households with Section 8 Vouchers who are prospective homeowners, and supporting the City's housing initiatives by attending public outreach events. The City also supports the Section 8 Homeownership Program for first-home homebuyer assistant to its Section 8 participants.

The City of Tempe and Newtown CDC/Community Land Trust and Save the Family Affordable Rental Movement continue to have a strong partnership in meeting the commitment to create and preserve affordable housing in the City of Tempe. By utilizing the Landtrust model, the homes are ensured to maintain their affordability in perpetuity. In the agreement, to ensure long-term affordability, the initial sale and any subsequent resale of any of the properties were restricted to low and moderate income households, a restrictive deed was placed on each unit. In addition to restricting the resale of the units to low and moderate income households, the restrictive covenants provide for a shared equity equation to be calculated on any future sale, thereby preventing a windfall profit for any one household and ensuring the future affordability of the units.

In FY2013, Save the Family ARM purchased 2 properties, consisting of a single family unit and a duplex. Both units were purchased and rehabbed utilizing HOME funds pursuant to a CHDO written agreement.

The City of Tempe also partnered with Habitat for Humanity to develop and construct 18 three story townhome units on a single parcel near the Escalante neighborhood. The development agreement is under review by City Council and should be executed by September 15, 2014. Construction is scheduled to begin by the end of the 2014 calendar year with all units completed by June 2016.

The Tempe Community Council and Tempe Community Action Agency offer a wide range of services from homelessness prevention, emergency shelters, transitional housing, to emergency funds. Both the Community Development Department and Human Service Department communicate and collaborate regularly to serve as wide a range of persons as possible throughout the City.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.
2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.
3. Describe efforts to address "worst-case" housing needs and housing needs of persons with disabilities.

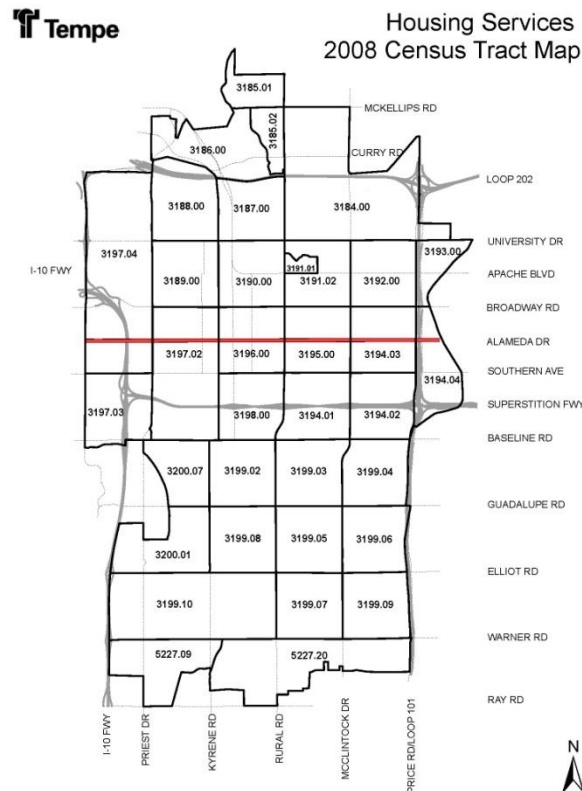
Program Year 5 CAPER Specific Housing Objectives response:

Progress in meeting specific Housing objective:

As described throughout this report, the City of Tempe has adopted a multi-faceted approach in its commitment to preserving, creating and stabilizing the City's

affordable housing stock. To this end, the City offers a wide range of programs and services.

As indicated on the following map, the area north of Alameda Drive is a CDBG target area. This area is considered to be the older section of Tempe; e.g. the first to age, therefore, the area first in need of services. In addition, the target area contains a higher concentration of minority households than other areas of the City and census tracts with 51% or more low-moderate income households.



In addition, the above target area contains three designated Redevelopment Areas and two Redevelopment Study Areas. To be designated a Redevelopment Area, a predominance of residential or non-residential buildings or improvements exist where public health, safety or welfare is threatened because of any of the following:

- Dilapidated, deteriorated, aging or obsolescent buildings or improvements
- Inadequate provision for ventilation, light, air, sanitation or open spaces
- Overcrowding
- Existence of conditions that endanger life or property by fire or other causes

A Redevelopment Study Area is one which is without an adopted redevelopment plan. Objectives of the Redevelopment Area are to: ensure the provision of adequate infrastructure; encourages reinvestment, revitalization, redevelopment or reuse;

prevent and eliminate slum and blight; stimulate private investment and attract new development.

DRAFT

Summary of Specific Annual Objectives FY2012

Activity	Specific Objectives	Outcome/Objective	HOME \$	CDBG \$	LIST OTHER SOURCES & \$	ANNUAL EXPECTED NUMBER	ACTUAL NUMBER
Rental Housing Objectives							
1.1 Acquisition & Rehab of rental units.	Acquisition & rehab of rental units	DH-2				0	0
1.2 Provide Housing Choice Vouchers and Public Housing.	Provide Housing Choice Vouchers and Public Housing	DH-2			\$9,165,712	1,082	1082
1.3 Production of new rental units.	Production of new rental units	DH-2				0	0
Owner Housing Objectives							
2.1 Rehab of existing owner units.	Rehab of existing owner units	DH-1	\$33,776			2	1
2.2 Provide homebuyer down payment support.	Provide homebuyer down payment support	DH-2	\$400,449.72			10	13
2.3 Provide emergency repair program support.	Provide emergency repair program support	DH-1		\$79,763.22		10	5
2.4 Production of new owner units.	Production of new owner units	DH-2					
Homeless Objectives							
9.1 Provide support for homeless facilities (emergency, transitional and permanent), prevention activities	Provide support for homeless facilities (emergency, transitional and permanent), prevention activities	DH-1		\$216,891.00		11,472	4,087

Affordable Housing

Non-Profit Acquisition and Rehabilitation of Single Family Properties:

In FY2013, 2 homes were purchased by the City of Tempe's contracted CHDO. The homes were rehabilitated and rented to low income households not yet ready for market rate housing. The properties are restricted to low income households for a period of 15 years.

First-time Homebuyer Program:

In FY2013, the City's Housing staff also collaborated with Newtown, CDC to provide 2 Homebuyer Education (HBE) classes as well as Online HBE classes starting in February of 2014 with a total of 102 persons in attendance. In addition, Newtown hosted 6 First Time Homebuyer Workshops in Tempe with a total attendance of 111. Newtown also provided 2 Community Land Trust Orientations with 10 persons in attendance.

Through this program, the City offers first-time homebuyer education and counseling. City Housing staff also worked with residents to help them gain access to special mortgage products such as the Soft Second Loan Program and Purchaser Assistance funds (for down payment and closing costs). Through a Soft Second Loan and financial financing, the City assisted 10 families with downpayment assistance through its HOME and CDBG funded program, the Community Assistance Mortgage Program (CAMP).

Housing Improvement Programs (HIP):

In FY2013, 6 units were rehabilitated and stabilized.

The primary purpose of the City's Housing Rehabilitation Programs is to provide a decent, safe and sanitary home and a suitable living environment for residents, as well as to protect and preserve the integrity and stability of Tempe neighborhoods.

The City operates two programs that provide financial assistance to qualified homeowners to rehabilitate their owner-occupied homes.

Available Programs

Emergency Assistance – building conditions that threaten the immediate health, life or safety of occupants may be eligible. Accessibility modifications and certain code violations are also eligible for emergency grant assistance. The City of Tempe reserves the right to determine the eligibility of requested emergency repairs.

Housing Improvement Program (HIP) – in addition to the items described above, owners may choose to complete other work items, including, but not limited to: painting, energy efficiency upgrades, site improvements, among others.

Financing Options

Emergency Assistance – funds are provided as grants, with no repayment obligation.

Housing Improvement Program – Assistance is provided as a loan to homeowners that qualify. Terms will vary depending on the homeowner's ability to repay. Funds will be provided as no-interest deferred loans, low-interest amortized loans or a combination of both. The City continues to suspend its low-interest loan program in favor of a 100% deferred loan program.

Affordable Housing Trust Fund:

The Housing Trust Fund and the Advisory Board, whose charge is to actively seek revenue sources and promote affordable housing, is a pivotal step in providing affordable housing in Tempe. The purpose of the Housing Trust Fund is complement the City's federally funded affordable housing programs. The Trust Fund will provide a non-federal financial resource to address the affordable housing needs of individuals and families of low and moderate income, provide housing related services to these households, and provide support for nonprofit organizations that actively address the affordable housing needs of low and moderate-income households. Tempe has taken these actions because a growing percentage of Tempe residents are unable to meet or maintain the income level necessary to continue residing in Tempe. In recent years, economic forces have discouraged a diverse housing stock. The City recognizes the need to provide alternative housing opportunities in order to maintain the diversity of Tempe.

Other City-Sponsored Services:

- Tenant Homebuyer Counseling Services: With funding from the City, Newtown, CDC administers homebuyer education and counseling programs.
- In partnership with the Valley of the Sun United Way and the Arizona Department of Health Services, the City of Tempe continued administering a program that offered 35 units of scattered site permanent supportive housing for chronically homeless individuals. Permanent supportive housing is a successful, cost-effective combination of affordable housing with services that helps homeless people with complex issues lead more stable, productive lives. The city initially funded this project with ARRA stimulus funding. As these funds were temporary, the City has successfully transitioned these households to the Section 8 Housing Choice Voucher program.
- Tempe Community Action Agency (TCAA): This agency provides housing search services, referrals to shelters and limited emergency funds. The Tempe CAP services as a first-line of defense for Tempe's families in crisis. TCAA also offers a variety of services designed to assist families' meet their immediate basic needs and then move to self-reliance. TCAA works both to prevent and alleviate homelessness.

Performance by the City of Tempe toward the Housing Goals for the Fourth Year of the Annual Action Plan for the 2010/2014 Five Year Consolidated Plan. All of the accomplishments reported in this chart meet the Section 215 definition of affordable housing.

Renter and Owners Assisted by Income				Table 2A
Renters Assisted by Income				
	5-YT Goal		Year 1 Goal	
	Planned	Actual (cumulative annual total)	Planned	Actual
0-30% of MFI	5,589	2,283	1,118	498
31-50% MFI	967	730	193	216
51%-80% MFI	328	131	66	39
TOTAL	6,884	3,144	1,377	1,071
Owners Assisted by Income				
0-30% of MFI	83	22	17	2
31-50% MFI	44	15	9	4
51%-80% MFI	72	38	14	12
TOTAL	199	75	40	18

Efforts to address “worst-case” needs and housing needs of persons With Disabilities:

The City continues to review and analyze how it can better meet the needs of the under-served and address “worst case” housing needs through housing programs, supportive services and the efforts of the City’s Homeless/Fair Housing Coordinator. In addition, the City continues to serve the under-served through the Section 8 Rental Assistance Program and the supportive services through CDBG and HOME funds.

The City of Tempe addresses households with worst case needs through a “priority preference point system” established by the City that reflects HUD guidelines. Priority is given to Tempe residents and households who are involuntarily displaced, homeless in the City of Tempe or if the head of household and spouse or sole member is age 62 or older, or is a person with disabilities and reside in the City of Tempe. In addition:

- **Rents:** In Tempe, rents are often more than 25% above the Section 8 Fair Market Rents. These can be a barrier to extremely low to moderate-income families moving from areas of concentration and locating affordable housing. The Housing Authority will continue to review Fair Market Rents and Payment Standards and will work within HUD Regulations to request adjustments as necessary. The Section 8 program addresses the needs of families paying more than 50% of their monthly income toward rent by requiring that initially, a family cannot pay more than 40% of their monthly adjusted income for rent and utilities.
- **Substandard Housing:** Households who may have been living in substandard housing prior to entering the Section 8 Program are ensured of standard living conditions due to the Housing Quality Standards (HQS) inspection performed by the Housing Services Division prior to approval of a

rental unit. Rental units must pass inspection prior to a housing assistance payments contract being executed with a landlord. Thereafter, the unit must pass inspection annually after the initial inspection. Failure to comply with the programs HQS inspection requirements will terminate program assistance.

- ***Involuntary Displacement:*** For households facing involuntary displacement due to City action or in some cases, due to private action as a result of code violation issues, the City strives to provide relocation assistance. Relocation assistance, when needed, is funded with both CDBG and City funds. In addition, with a partnership with Tempe Community Action Agency, relocation assistance is also provided to residents who may face involuntary displacement. All efforts are made to ensure displaced families are relocated to affordable, standard housing. During FY2013, no individuals were displaced and/or relocated.
- ***Housing for Individuals with Disabilities:*** The City employs an ADA Specialist who promotes accessibility for City of Tempe citizens and the employees with disabilities hired in the city. The Specialist works with other city departments to ensure accessibility; assists in reviewing plans, updating policies, provides employee trainings, and creates access to programs and services, ensuring that its non-profit sponsored developments comply with the American with Disabilities Act to provide handicap accessible units. During the program year, staff met with non-profits that regularly work with persons with disabilities to provide information on the availability of funds for modifications.

Information is provided to citizens regarding the Americans with Disabilities Act and local disability resources by calling an ADA hotline. In addition, the Specialist sits on the city's Commission on Disability Concerns, and participates on the Access Tempe Committee, reviewing city facilities, and providing ideas to further accessibility. As an active member of the disability community, the Specialist speaks on disability-related issues at several conferences each year.

Throughout the year, the ADA Specialist and the Fair Housing Coordinator for the City of Tempe communicate on a regular basis as concerns are brought to their attention about Fair Housing complaints related to disability issues. The Diversity Department web page includes links to Fair Housing information provided by the City of Tempe.

Through its partnership with CASS, a local non-profit homeless service provider, the City targets persons with mental health issues and disabilities. CASS concentrates on the delivery of housing to single individual households as well as the mentally disabled population, and is also skilled in the management of single room occupancy dwellings with a social service component.

The City has also continued its partnership with Save the Family to administer five units of transitional housing for formerly homeless persons who are victims of domestic violence. Save the Family is a homeless service provider that operates a transitional living program for victims of domestic violence. Families are offered access to two years of a transitional living program with case

management, domestic violence education, child development education, referrals and the option to participate in some structured activities.

In addition, efforts continue to be made to promote the rehabilitation program to persons with disabilities. Homeowners requesting rehabilitation assistance for accessibility modifications are given priority.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

Program Year 5 CAPER Public Housing Strategy response:

This section is not applicable to the City of Tempe. The City does not administer a public housing program.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Program Year 5 CAPER Barriers to Affordable Housing response:

Tempe continues to be a sought after destination in the Valley. In fact, Tempe Town Lake is the second most visited destination in the State, second only to the Grand Canyon. The concurrent draws of Tempe Town Lake, highly successful downtown redevelopment, important educational facilities at ASU, strategic transportation access that includes light rail in addition to other shopping, cultural and entertainment amenities have and will continue to make Tempe a major destination in the Valley. As a result, portions of Tempe are becoming increasingly gentrified that offered opportunities for affordable housing production at one time. Add to the mix the fact that Tempe is essentially built-out and land-locked, the result is sites for development are limited and carry an increasing premium. These factors considered individually and collectively serve as barriers to the production of new affordable housing in Tempe. In addition, housing facilities for persons with disabilities tend to be clustered in limited neighborhoods in Tempe, thereby limiting housing choices.

Tempe's approach to removing or ameliorating the negative effects of public policies that serve as barriers to affordable housing are as follows:

- In 2009, Tempe created a Housing Trust Fund designed to generate resources for affordable housing development increasingly necessary given high land costs and address predominantly workforce housing. Staff has proposed a number of mechanisms to fund the Trust Fund on a significant and sustained basis over time which are awaiting Council consideration and approval;
- The city formed a community land trust and used it. This Trust is now administered by New Town, a nonprofit entity, and is used within the City of Tempe as appropriate;

- Tempe has and will continue to pursue resources from the Arizona State Department of Housing for affordable housing development to, in part, offset high land costs in the community;
- Tempe has and will continue to marshal incentives for homeownership at varying price points. Resources will include but not be limited to the Section 8 Housing Choice Voucher Program in tandem with the Family Self-Sufficiency Program, the Community Assistance Mortgage Program, CDBG, HOME, Tempe HTF, land trust, MRB/MCC and State Department of Housing resources, etc.
- Continue to deliver housing rehabilitation support to existing homeowners in targeted areas of the community;
- Survey cultural resource areas in income eligible locations and enroll eligible properties in Arizona State Property Tax reduction program for designated owner-occupied historic properties.
(<http://azstateparks.com/shpo/propertytax.html>)
- Continue to deliver the Section 8 Housing Choice Voucher Program to provide assistance to households to enable them to rent units in the private market;
- Continue to explore modification of the city's zoning ordinance by establishing zoning categories that encourage higher density to promote owner-occupied housing in areas with escalating land costs;
- Continue to analyze and assess residential zoning standards that encourage more creative and flexible design solutions.

HOME INVESTMENT PARTNERSHIP PROGRAM

1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.
2. HOME Match Report
 - a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.
3. HOME MBE and WBE Report
 - a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).
4. Assessments
 - a. Detail results of on-site inspections of rental housing.
 - b. Describe the HOME jurisdiction's affirmative marketing actions.
 - c. Describe outreach to minority and women owned businesses.

Program Year 5 CAPER HOME response:

Assessment and Evaluation of Relationship of HOME Funds to Goals and Objectives:

The City of Tempe, as a member of the Maricopa HOME Consortium, receives a pro-rata share of funds under an Intergovernmental Agreement (IGA) with the Maricopa County Consortium. In FY2013, 14 HOME-assisted affordable homeownership units and one single family rehabilitation have been created through the City's entitlement HOME funds. In addition, 3 additional HOME-assisted homeownership units were created via Tempe's CHDO agreement with Save the Family, ARM. In FY 2013, the City expended a total of \$400,449.72 in HOME funds for housing activities plus an additional \$20,816 in administrative expenditures.

The City uses HOME funds for homebuyers. As a member of the Maricopa County Consortium, it has adopted the Consortium's guidelines for resale or recapture of funds. The full policy is located in the Additional Files section of the Consolidated Plan.

A summary of the policy is as follows:

It is the policy of the Maricopa HOME Consortium that each member of the Consortium may use either the recapture option or the resale option based on what is most beneficial to the member and to the potential homebuyer. Consortium members will select the method to be used prior to granting the HOME assistance to the potential homebuyers. Each Consortium member will ensure the proper security instruments are executed to guarantee the HOME investment for the affordability period for the selected recapture/resale option.

Recapture Option – Under this option, the HOME subsidy must be returned to the HOME Program. This option allows the seller to sell to any willing buyer at any price. Once the HOME funds are repaid from the net proceeds of the sale, the property is no longer subject to any HOME restrictions. The recaptured funds must be used for another HOME-eligible activity. If the Net Proceeds from the sale of the property at its fair market value are insufficient to pay the balance of the City's HOME Note in full, in this situation the City of Tempe will forgive repayment of the amount of the balance in excess of the Net Proceeds.

The City's homebuyer assistance programs outreach plan includes:

- Program briefings at monthly Family Self-Sufficiency briefings;
- Informational articles in the City's water bill mailing flyer called "Tempe Today";
- Information posted on the City's website;
- Program brochures available in Housing Services waiting room;
- Staff responds to inquiries and meets regularly with realtor groups and homeowner association groups.

First-time homebuyers who met the income eligibility requirement for the City's Down payment assistance program completed a HUD/City approved homebuyer education class. The agency approved to conduct the homebuyer education classes is Newtown, CDC.

In addition, when HOME funding is combined with the Community Land Trust (CLT), the future affordability of the home is guaranteed with each future sale of the home. Additionally, homebuyers must meet CLT's guidelines prior to the purchase of a home.

With the HOME funds it receives from the Maricopa County Consortium, the City will provide loans to support the acquisition, new construction and rehabilitation of eligible affordable rental and homeownership units. As required by HUD, HOME funds will be used specifically to support Newtown, CDC, Tempe's Community Housing Development Organization (CHDO), to create affordable homeownership developments through acquisition and rehabilitation.

FY2013: HOME Assessment

Overview of HOME Funded Activities	Homebuyer Assistance	Housing Rehabilitation
Accomplishments FY 2013	(Units) 13	(Units) 1
<i>Proposed in Annual 2012 Action Plan</i>	10	2
Expenditures FY 2012 Actual	\$20,816-Admin + \$400,449.72 \$421,265.72	\$33,776

HOME Jurisdiction's Affirmative Marketing Action:

The City of Tempe requires all HOME assisted rental or homebuyer projects containing five or more HOME-assisted units affirmative marketing procedures must be followed. Affirmative marketing seeks to provide information and then attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familiar status or disability. The following procedures are ways to meet goals of affirmative marketing, as well as meeting the federal requirements of the HOME program.

- Housing developers and providers must inform the public, purchasers and potential tenants about fair housing laws and these procedures. Mandatory ways to meet this requirement as follows:
 - All advertisements, notices, and written communications regarding the HOME-assisted units must contain the equal housing opportunity logo or slogan; and clearly display a fair housing poster in a public place within your office.
 - A description of what is being done to affirmatively market HOME-assisted housing will be due to the Neighborhood Redevelopment Division of Community Development for each HOME contract that falls into the affirmative marketing threshold. This description should include the efforts being made to reach any population that is not likely to apply for this housing project.
 - All HOME contract recipients completing projects that fall within the Affirmative Marketing threshold are required to keep files that document their efforts to affirmatively market the HOME-assisted units. Those files should include:
 - Copies of all advertisements, notices, and written communications regarding all properties that falls into the Affirmative Marketing threshold.
 - Documentation illustrating how information was disseminated, for example, mailing lists, organizations and addresses where notices were posted, etc...

- Records of applicants relative to race, sex, age, familial status and the manner in which they learned of the unit availability.

Outreach to Minority and Women Owned Businesses:

As stipulated by HUD in regulation 24 CFR Part 84, the City of Tempe includes in its contract agreements, requirements that developers make a good faith effort to involve minority and women owned businesses as contractors and subcontractors when working on federally funded projects. Example of the language includes: *The City of Tempe encourages pursuant to Executive Orders 11625 and 12432 regarding Minority Business Enterprise, and 12138 regarding Women's Business Enterprise, and regulations S. 85.36 (e) and of Section 281 of the National Housing Affordability Act to respond to this RFP.* This language is also contained in all Request for Proposals for HUD funded activities.

HOMELESS

Homeless Needs

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Identify actions taken to address needs of homeless persons.
2. Identify actions to help homeless persons make the transition to permanent housing and independent living.
3. Identify new Federal resources obtained from Homeless SuperNOFA.

Program Year 5 CAPER Homeless Needs response:

Actions taken to address needs of Homeless Persons:



The City of Tempe funds a number of programs that serve homeless persons and individuals. Those programs include A New Leaf, My Sister's Place, Tempe Community Action Agency and Homeward Bound all of whom serve victims of domestic violence. The city also funds Central Arizona Shelter Services which provides shelter to homeless adults and families. Tumbleweed is funded with general fund dollars and provides services to homeless youth. Homeward Bound is funded to provide transitional living services to homeless families. La Mesita is funded as a crisis shelter for homeless families. The Tempe Community Action Agency and Tempe Salvation Army are funded to provide emergency services to homeless individuals and families and to prevent homelessness. The United Food Bank is funded to provide emergency food to individuals and families in need.

The City of Tempe also employs a Homeless and Fair Housing Coordinator. The Coordinator and representatives from city funded agencies participate in the Maricopa county Continuum of Care on Homelessness committees. The Homeless Coordinator serves on the Continuum of Care Regional Committee on Homelessness and is the Chair of the Planning Sub-Committee.

The Homeless Coordinator facilitated the FY2013 Homeless Street Count in January 2014 resulting in a count of 83 people living on the streets of Tempe including, 50 chronically homeless men, 13 chronically homeless women, 23 non-chronically homeless men and 9 non-chronically homeless women. This is the second year that the Count focused on learning how many homeless individuals are Veterans. The count in Tempe revealed that in addition to the numbers previously mentioned, 15 chronically homeless men identified as Veterans and 2 non-chronically homeless men stated they were Veterans.

The Homeless Coordinator also worked with the local community and the Valley of the Sun United Way to facilitate two Project Homeless Connect events. The most recent Tempe Connect served well over 500 homeless individuals. The goal of Project Homeless Connect is to provide multiple immediate services to homeless individuals and families on one day under one roof. As a result of Tempe facilitating this national, best-practice model, the Valley of the Sun United Way is not ensuring that a similar event is held on a monthly basis in other cities in Maricopa County.

The Homeless Coordinator continues to oversee HOPE, a homeless outreach team that travels throughout Tempe in an effort to reach out homeless individuals and families in an effort to engage them into services that can end their homelessness. The HOPE staff goes beyond providing information and referrals by accompanying their clients to needed services and staying with them throughout the process of obtaining those services. During the past year, HOPE interacted with 363 homeless individuals; all of whom were new to HOPE staff.

Previously, the Homeless Coordinator facilitated the transition of the 35 Support Housing Program units from the temporary HPRP funding into the Section 8 HCV and VASH programs. As part of the HCV and VASH funded programs, no time limit is imposed on the participants. The City of Tempe worked on implementing this project in partnership with the Valley of the Sun United Way and the Arizona Department of Health Services. This past year, 30 individuals remained on the HCV program and received case management services through the partnership of Valley of the Sun United Way.

During the past year, the Homeless Coordinator continued to work with a multi-disciplinary interdepartmental team to address the issue of homeless individuals congregating in the downtown Tempe area, as well as the City's northern most parks, specifically, Escalante Park. As a result of these discussions, the Homeless Coordinator partnered with the Tempe Police Department to increase education to the homeless and the general public about homelessness and the negative consequences of panhandling.

Projects/Programs that Serve the Homeless					
Agency Name	Project/Program Description	Funding Source	Special Needs Population	FY 2010/11 Funding Allocation	Outcome/ People served
CASS	Shelter	CDBG		\$45,154	87
Catholic Charities	DV Shelter/Transitional	CDBG	DV	\$13,233	11
A New Leaf	La Mesita Shelter	CDBG		\$21,771	106
Homeward Bound	Transitional	CDBG	DV	\$5,000	10
City of Tempe	Homeless Coordinator	CDBG	Chronic Homeless	\$91,480	500
City of Tempe	Homeless Outreach	General Funds	Chronic Homeless	\$50,000	363
			Total	\$226,638	1,077

Actions to help homeless persons remain in permanent housing and independent living:

In partnership with the Valley of the Sun United Way and the Arizona Department of Health Services, the City of Tempe continued to administer 30 units of scattered site permanent supportive housing for chronically homeless individuals. This past year, the City funded the units through its Section 8 voucher program and assigned a Housing Specialist to work directly with the households to ensure their continued success. Permanent supportive housing is a successful, cost-effective combination of affordable housing with services that helps homeless people with complex issues lead more stable, productive lives. The city initially used stimulus funds to assist with rent and utility payments for the tenants residing in this program and is modeling the program after the Section 8 Housing Choice Voucher program. The AZ Department of Health Services, through Magellan, continues to provide supportive services for tenants with mental health issues. Home At Last, a local service provider is providing supportive services for the remaining tenants.

In addition, the City of Tempe funds several crisis shelters and transitional living programs for homeless individuals and families. All of these programs offer case management with the goal of helping participants to obtain and maintain a self-sufficient lifestyle in permanent housing.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

Program Year 5 CAPER Specific Housing Prevention Elements response:

The City of Tempe funds the Tempe Community Action Agency and the Tempe Salvation Army. Both of these agencies provide emergency financial assistance for the purpose of preventing homelessness to Tempe residents. The City of Tempe Homeless Coordinator provides resource information and referrals to individuals and families who are seeking assistance from these agencies. This resource information is also distributed to service providers who come in contact with those in danger of becoming homeless.

Emergency Shelter Grants (ESG)

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).
2. Assessment of Relationship of ESG Funds to Goals and Objectives
 - a. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.
 - b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.
3. Matching Resources
 - a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.
4. State Method of Distribution
 - a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.
5. Activity and Beneficiary Data
 - a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.
 - b. Homeless Discharge Coordination
 - i. As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.
 - c. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

Program Year 5 CAPER ESG response:

This section is not applicable to the City of Tempe. The City does not administer ESG funds.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Assessment of Relationship of CDBG Funds to Goals and Objectives
 - a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.
 - b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.
 - c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.
2. Changes in Program Objectives
 - a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.
3. Assessment of Efforts in Carrying Out Planned Actions
 - a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.
 - b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.
 - c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.
4. For Funds Not Used for National Objectives
 - a. Indicate how use of CDBG funds did not meet national objectives.
 - b. Indicate how did not comply with overall benefit certification.
5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property
 - a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.
 - b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.
 - c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.
6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
 - a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.
 - b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

- c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.
- 7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit
 - a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.
- 8. Program income received
 - a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.
 - b. Detail the amount repaid on each float-funded activity.
 - c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.
 - d. Detail the amount of income received from the sale of property by parcel.
- 9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:
 - a. The activity name and number as shown in IDIS;
 - b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;
 - c. The amount returned to line-of-credit or program account; and
 - d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.
- 10. Loans and other receivables
 - a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.
 - b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.
 - c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.
 - d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.
 - e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.
- 11. Lump sum agreements
 - a. Provide the name of the financial institution.
 - b. Provide the date the funds were deposited.
 - c. Provide the date the use of funds commenced.
 - d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year
 - a. Identify the type of program and number of projects/units completed for each program.
 - b. Provide the total CDBG funds involved in the program.
 - c. Detail other public and private funds involved in the project.
13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies
 - a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

Program Year 5 CAPER Community Development response:

Assessment of Community Development Goals and Objectives:

Public Services

The City used 15% of its CDBG grant toward public service activities in addition to the following funding sources: General Revenue funds and Help to Others (H2O). The public services funded with CDBG funds for the program year were:

FY 2013 Public Service Outcomes

PERSONS SERVED			
PUBLIC SERVICE ACTIVITIES: (Does not include activities funded with general fund dollars)	CDBG Funded Amount	Anticipated	Actual
A New Leaf: La Mesita Family Shelter	\$21,771	20	106
Central Arizona Shelter Services	\$45,154	400	
Catholic Charities			
• Pathways/My Sisters Place	\$13,233	15	11
City of Tempe Homeless Coordinator	\$91,480	550	363
Homeward Bound Transitional Housing Program	\$5,000	20	10
Tempe Community Action Program	\$40,254	3,000	3,873
Total	216,891	4,005	4,363

This past fiscal year, presented a number of hurdles to the Community Development Department. Continued reductions in funding from the federal government and reduced general funds resulting from the continuing overall economic slowdown directly impacted the City's subrecipients in the form of reduced funding. As state and private funding resources reduced their contributions, services were necessarily scaled back in order to maintain safe and effective operations. Compounding this problem is an unemployment rate that continues to stay above 7.8%, which leads to a higher homeless and at risk population. Heightened administrative requirements that were not accompanied by an increase in funds to offset the burden also presented a challenge to nearly all service providers.

General Program Administration

Funds for this activity were used for program administration and management of projects and programs under the Community Development Block Grant Program. Program regulations allow 20% of the annual grant to be used for administrative purposes. This activity was funded at \$289,188.

Community Development Accomplishments using CDBG funds:

Accomplishments: In FY2013 through its commitment to create and preserve affordable housing for low and moderate-income residents in the City of Tempe, the City's Community Development Department Housing Division and Redevelopment Division identified four definitive objectives to meet its goal. The objectives included: Preserving Affordable Rental Units; Creating New Affordable Rental Units; Creating Affordable Homeownership Units; and Stabilizing and Renovating Owner-Occupied and Rental Units.

Accomplishments: In FY2013, Habitat for Humanity Central Arizona was selected as the successful respondent to the RFP issued for the development of affordable owner-occupied housing on a parcel previously purchased with CDBG funds. The construction will result in 18 new three story townhouses. Each of the 18 townhomes will be sold to a family earning less than 60% area median income. Additionally, all 18 families will be required to contribute over 500 hours of "sweat equity" towards the construction of their home.

Accomplishments: In FY2013, the City acquired 3 additional parcels located in the failed Danelle Plaza retail center (3400 S. Mill Ave.). The City of Tempe issued a Request for Proposals for the development and new construction of as many as 30 housing units at this location. There was one developer selected for the project. It is anticipated that the development will contain both market rate and below market (subsidized) units with at least 51% of the units being offered to households earning less than 80% of the area median income. The project will fully develop the site and access area infrastructure, including Tempe municipal approved sewer, water and area telephone, electrical and gas. Site development will comply with The Americans with Disabilities Act. Landscaping appropriate to the area will be included.

Assessment of Efforts in Carrying Out Planned Actions

The City of Tempe actively pursued all the resources identified in the 2010-2014 Consolidated Plan. Furthermore the City provided certifications of consistency at the request of any agency as long as the identified activity was consistent with the Consolidated Plan. The City of Tempe did not hinder willfully or by action the implementation of the Consolidated Plan.

Anti-displacement and Relocation:

The City of Tempe has taken reasonable steps to minimize the displacement of families as a result of acquisitions, rehabilitations or demolitions. When relocation of tenants is required, the City follows the procedures and regulations set forth in the Uniform Relocation Act. Relocation efforts in the City are coordinated with Tempe Community Action Agency to ensure families relocated receive additional counseling and/or benefits. Appropriate notices and advisory services are offered, replacement housing, including the offer of Section 8 Housing Assistance. Moving and related expenses are also available so the tenant could relocate successfully into replacement housing.

The City follows the one-for-one replacement requirements when the regulations of Section 104(d) are triggered:

- The unit meets the definition of low/moderate dwelling unit; and
- The unit is occupied or is a vacant acceptable dwelling unit; and
- The unit is to be demolished or to be a use that is no longer for permanent housing.

If the unit does not meet the above criteria, one-for-one replacement is not required. To meet the requirements under Section 104(d) for one-for-one replacement, the City will add replacement units into its affordable housing stock as soon as resources permit.

Relocation efforts are also implemented when the City de-lead's a unit. The division follows the federal relocation requirements and guidelines under the Uniform Relocation and Real Property Acquisition Policies Act (URA) and Section 104(d) of the Housing and Community Development Act.

During FY2013, no individuals were displaced and/or relocated as a result of federal expenditures.

Economic Development:

The City of Tempe community's overall quality of life is based, in part, on business growth and stability. The City's Economic Development Division (EDD) focuses on activities designed to meet the City's need for a diversified and thriving economic base by providing a broad range of services to assist small businesses including supporting entrepreneurship, working to maintain a diversified employment base and revitalizing businesses in the City's commercial districts.

Toward this end, the Division has several programs that are operated internally and others that work with collaborative partnerships. The Tempe business retention and expansion program is an outreach program designed to open lines of communication with existing businesses in targeted industry clusters (e.g., advanced business

services, high technology, and manufacturing). These industries are key drivers in the local economy and the purpose in targeting these industry sectors is to discuss issues of concern; identify issues affecting the local, regional and state economy; measure company impact in the community; and identify company growth potential or identify companies that may be downsizing or contemplating relocation.

Entrepreneurship is also a key driver of the local economy. Wealth and a high majority of jobs are created by small businesses started by entrepreneurially-minded individuals. As a result, Tempe believes that fostering a robust entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale.

Program Income:

Program Income is received from the City's housing rehabilitation programs from loan payments on previous rehabilitation loans re-paid back to the City. In addition, the City receives program income resulting from the payback of deferred loans for those families who has used the City's downpayment assistance program for first time homebuyers. In FY2013, the City received and earned \$114,018.50 in HOME program income.

Federal regulation states that program income derived from federal and consortium activities may allow a member to retain PI for other HOME activities within that member's boundaries provided the member uses the PI before additional HOME funds are drawn down for use within its boundaries.

Loans and Other Receivables:

Under the City's Rehabilitation programs,(Housing Improvement Program (HIP) and Rental Reinvestment Program), the City of Tempe has a low-interest loan program for low and moderate income owners of one to four unit buildings and single family homes. All loans under the Housing Improvement Program and Rental Reinvestment Program are deferred with 0% forgiven. 100% of the loan amount is due back upon sale, conveyance or alienation. Deferred loan payments are given to all elderly (age 62 years or older) and disabled homeowners.

Overview of HOME/CDBG Funded Loan Activity for FY 2012	Housing Rehabilitation
	(Units)
Loans Outstanding	93
<i>Principal Balance</i>	\$1,540,724.50
Total number of Outstanding Loans Deferred or Forgivable	93
<i>Total Principal Balanced Owed</i>	1,493,041.02
<i>Defaulted Loans Forgiven or Written Off</i>	0

Housing Rehabilitation:

To stabilize and renovate owner-occupied one-to-four family buildings owned by extremely low and low to moderate income households, the City administers the Housing Improvement Programs (HIP). The rehabilitation program meet the needs of low to moderate-income (50%-80% median income) households and approximately 50% of households receiving rehabilitation assistance fall within this category. All loans under the Housing Improvement Program are deferred with 0% forgiven. 100% of the loan amount is due back upon sale, conveyance or alienation. During the FY2013, one family received rehabilitation assistance for their home in this category.

In FY2013, the City contracted with homeowners to rehabilitate 7 units through the Housing Improvement and Emergency Repair Programs. One unit was completed using \$33,776 in HOME funds and 6 units were completed using \$49,549.15 in CDBG funds.

Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Program Year 5 CAPER Antipoverty Strategy response:

The City of Tempe Section 8 Housing Choice Voucher Program has continued to administer the Family Self-Sufficiency (FSS) program and continued to network with supportive services that enable participants to improve their employability. All of the Housing Specialists market the FSS program with their tenants. Information about the FSS program is included on the City of Tempe Housing Services Division web page.

The number of FSS graduates provides a quantitative measurement that can be applied to reducing the number of families in poverty status. In order to graduate, the FSS participant must have an income that will allow for self-sufficiency without dependence on public welfare assistance. In almost all cases, the graduate has full-time employment and may be eligible for first-time homebuyer assistance.

Since the first FSS contract was executed in April 1994, the FSS Program has graduated 106 FSS participants, paid out \$658,023.11 in escrow payments, and produced 34 homeowners. The FSS program has also partnered with the City of Tempe's Community Assisted Mortgage Program (CAMP) and NewTown CDC to provide other down payment assistance. Also, Tempe FSS program worked with National Bank of Arizona and Alliance Bank to secure IDEA grants that match participant's escrow accounts 3:1 up to \$15,000 for more down payment assistance.

The City of Tempe allocates CDBG funding to support public service activities and facilities that seek to reduce poverty through training programs and employment opportunities. Resources are targeted for reinvestment in targeted neighborhoods in Tempe. CDBG/HOME subrecipients are encouraged to recruit and hire employees from extremely low to moderate income groups.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

Program Year 5 CAPER Non-homeless Special Needs response:

The City will meet special needs priorities through programs to make decent housing and a suitable living environment available and accessible. The City will assist other persons with special needs by improving accessibility in City sidewalks, funding educational materials for victims of domestic violence, funding and/or operating several home improvement programs, and providing nonfederal funding assistance to the Tempe Community Council, which provides technical assistance and human services funding to a wide range of non-profit agencies and community groups.

The special needs populations have been identified as follows:

Children, Youth and Families

This population was identified as an important population in need of services that emphasized prevention. Attention was given to single and working parents. Needed services were identified as parenting education, sex education, life management skills, child protection, childcare, domestic violence shelter and services.

Elderly

Needed services for this population include health care, case management and counseling, in-home services, adult day care, caregiver support services including respite care, affordable housing, transportation, and job training and financial management assistance.

Disabled

The needed services for the disabled population are the same as those services needed for the Elderly population above. Services include health care, case management and counseling, in-home services, adult day care, caregiver support services including respite care, affordable housing, transportation, and job training and financial management assistance.

Mentally Ill

Behavioral health services for the mentally ill population were identified as an important need in Tempe. Housing assistance, shelter services, and case management services are needed.

Substance Abusers

The needed services for this population are the same as those for the mentally ill. In addition to housing assistance, shelter services and case management services, substance abusers will also need medical detoxify and treatment services.

In FY2013, the City of Tempe funded the following agencies that serve the non-homeless special needs community:

- Area Agency on Aging, Benefits Assistance Program and In Home Services Program
- Foundation for Blind Children, Adult Comprehensive Services
- Southwest Center for HIV/AIDS, Women's Health Empowerment Project
- Tempe Community Action Agency, Senior Action Program
- The Centers for Habilitation, Job Training
- The ARC of Tempe, Life Skills and Recreation Program

Sources of funds to address the special needs populations identified above include:

- General Revenue
- CDBG
- Seized Assets Community Action
- Transportation
- Help to Others (H2O): donations by Tempe citizens with utility bills

Specific HOPWA Objectives

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives
Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
 - a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;
 - b. That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;
 - c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;
 - d. That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
 - e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
 - f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.
2. This should be accomplished by providing an executive summary (1-5 pages) that includes:
 - a. Grantee Narrative
 - i. Grantee and Community Overview
 - (1) A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services

- (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected
- (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS
- (4) A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body
- (5) What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations
- (6) Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.

ii. Project Accomplishment Overview

- (1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences
- (2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds
- (3) A brief description of any unique supportive service or other service delivery models or efforts
- (4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.

iii. Barriers or Trends Overview

- (1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement
- (2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and
- (3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years

b. Accomplishment Data

- i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).
- ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).

Program Year 5 CAPER Specific HOPWA Objectives response:

This section is not applicable to the City of Tempe. The City does not administer HOPWA funds.

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

This past program year, the City received \$38, 647 in CDBG program income as a result of rental income received from commercial properties located within the Danelle Plaza commercial retail center.

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APPENDIX I

Proof of Publication

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APPENDIX 2

PR 026

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APPENDIX 3

HUD 40107

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APPENDIX 4

HUD 40107-A

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APPENDIX 5

CAPER CHECKLIST

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